



# **Central Utah Center for Independent Living, Inc.**

Financial Statements  
and  
Additional Information

Year Ended June 30, 2007

# Central Utah Center for Independent Living, Inc.

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**Ulrich & Associates, PC**  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
Central Utah Center for Independent Living, Inc.

We have audited the accompanying statement of financial position of Central Utah Center for Independent Living, Inc. (a non-profit organization) as of June 30, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Central Utah Center for Independent Living, Inc. as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2007, on our consideration of Central Utah Center for Independent Living, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Ulrich & Associates, P.C.*

August 17, 2007

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**Central Utah Center for Independent Living, Inc.**  
**Statement of Financial Position**  
**June 30, 2007**

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**Assets**

Current assets	
Cash and cash equivalents	\$ 6,715
Receivables	58,849
Deposits and prepaid expenses	<u>1,981</u>
Total current assets	<u>67,545</u>
Furniture and equipment, at cost, net	<u>47,613</u>
Total assets	<u><u>\$ 115,158</u></u>

**Liabilities and Net Assets**

Current liabilities	
Accounts payable	\$ 27,338
Accrued liabilities	<u>10,714</u>
Total liabilities	<u>38,052</u>
Net assets	
Unrestricted	62,143
Temporarily restricted	<u>14,963</u>
Total net assets	<u>77,106</u>
Total liabilities and net assets	<u><u>\$ 115,158</u></u>

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See accompanying notes to financial statements

**Central Utah Center for Independent Living, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>Public Support and Revenue</u></b>			
Public support			
Grants	\$ -	449,085	449,085
In-kind contributions	17,089	-	17,089
Fund raising	5,206	-	5,206
Other income	431	-	431
	<u>22,726</u>	<u>449,085</u>	<u>471,811</u>
 Net assets released from donor restrictions	 <u>443,085</u>	 <u>(443,085)</u>	 <u>-</u>
 Total revenue and other support	 <u>465,811</u>	 <u>6,000</u>	 <u>471,811</u>
 <b><u>Expenses</u></b>			
Program services			
Independent living	413,887	-	413,887
Support services			
Management and general	70,718	-	70,718
Fund raising	3,873	-	3,873
	<u>488,478</u>	<u>-</u>	<u>488,478</u>
 Total expenses	 <u>488,478</u>	 <u>-</u>	 <u>488,478</u>
 Change in net assets	 (22,667)	 6,000	 (16,667)
 Net assets, beginning of year	 <u>84,810</u>	 <u>8,963</u>	 <u>93,773</u>
 Net assets, end of year	 <u>\$ 62,143</u>	 <u>14,963</u>	 <u>77,106</u>

See accompanying notes to financial statements

**Central Utah Center for Independent Living, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2007**

	<b>Program Services</b>	<b>Support Services</b>		
	<b>Independent Living</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Total</b>
Salary and wages	\$ 193,399	34,331	1,144	228,874
Payroll taxes and benefits	62,734	11,136	371	74,241
Office supplies	6,220	2,073	-	8,293
Contractual	683	10,707	-	11,390
Telephone	4,746	527	-	5,273
Space costs	26,426	2,936	-	29,362
Maintenance	4,708	523	-	5,231
Client emergency home repairs	12,000	-	-	12,000
Miscellaneous	2,008	59	-	2,067
Expendable loan bank and consumer repairs	20,350	-	-	20,350
Expendable office equipment	7,983	887	-	8,870
Fees and subscriptions	3,121	2,081	-	5,202
Insurance	5,464	2,942	-	8,406
Staff training	7,880	876	-	8,756
Travel (in state)	7,862	-	-	7,862
Travel (out of state)	6,355	-	-	6,355
Utilities	3,735	415	-	4,150
Postage	2,015	224	-	2,239
Printing	2,093	233	-	2,326
Program supplies	9,313	-	-	9,313
Fundraising supplies	-	-	2,357	2,357
<b>Total expenses before depreciation and in-kind expenses</b>	<b>389,095</b>	<b>69,949</b>	<b>3,873</b>	<b>462,917</b>
In-kind expenses	10,188	-	-	10,188
Depreciation	14,604	769	-	15,373
<b>Total expenses</b>	<b>\$ 413,887</b>	<b>70,718</b>	<b>3,873</b>	<b>488,478</b>

See accompanying notes to financial statements

**Central Utah Center for Independent Living, Inc.**  
**Statement of Cash Flows**  
**Year Ended June 30, 2007**

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**Cash Flows from Operating Activities**

Decrease in net assets	\$ (16,667)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	15,373
(Increase) decrease in operating assets	
Grants receivable	13,738
Deposits and prepaid expenses	4,281
Increase (decrease) in operating liabilities	
Accounts payable	16,117
Accrued liabilities	830
	<hr/>
Net cash provided by operating activities	33,672

**Cash Flows From Investing Activities**

Purchase of equipment	<hr/> (35,840)
Net cash used in investing activities	<hr/> (35,840)
Net decrease in cash and cash equivalents	(2,168)
Cash and cash equivalents as of beginning of year	<hr/> 8,883
Cash and cash equivalents as of end of year	<hr/> <hr/> \$ 6,715
Shown on balance sheet as:	
Cash and cash equivalents	<hr/> <hr/> \$ 6,715

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See accompanying notes to financial statements

# Central Utah Center for Independent Living, Inc.

## Notes to Financial Statements

June 30, 2007

### Note 1 - Summary of Significant Accounting Policies

#### Organization

Central Utah Center for Independent Living, Inc. (the Center) is a Utah not-for-profit corporation organized for the purpose of providing services, training and counseling to disabled persons. Although incorporated in 1998 the Center did not begin formal operation until January 2001.

#### Fund Accounting

The accompanying financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes. The Center had no permanently restricted net assets.

#### Property and Equipment

The policy of the Center is to capitalize all expenditures for equipment with a life greater than one year and cost in excess of \$1,000. Purchased equipment is recorded at cost and donated equipment is recorded at fair value at the date of contribution. Depreciation is computed using the straight-line method over the useful lives of the assets which range from three to seven years. Depreciation expense was \$15,373 for the year ended June 30, 2007.

#### Funding Sources

The Center is funded by grants, the main grantor being Utah State Office of Education - Division of Rehabilitation Services. All other contributions are considered to be available for unrestricted use unless specifically restricted by the donor.



**Central Utah Center for Independent Living, Inc.**  
**Notes to Financial Statement - Continued**  
**June 30, 2007**

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**Note 1 - Summary of Significant Accounting Policies - continued**

**Funding Sources - continued**

State funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, if Central Utah Center for Independent Living, Inc. fails to comply with the terms of the grants/contracts, and may discontinue future grants to the Center.

**In-Kind Contributions**

Contributions of service and supplies can be made to the Center by individuals and business organizations. Services contributed are recognized as in-kind contributions based on the hours of service received times a normal hourly rate for the service performed. The Center had no contributions of service during the year.

Supplies contributed are recognized as in-kind contributions based on their fair market value. The Center received donated supplies of \$17,089 during the year ended June 30, 2007.

**Cash and Cash Equivalents**

The Center considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude endowment cash and cash equivalents.

**Investments**

The Center had no investments during the year.

**Income Taxes**

The Center is a nonprofit corporation and is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Central Utah Center for Independent Living, Inc.**  
**Notes to Financial Statement - Continued**  
**June 30, 2007**

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**Note 1 - Summary of Significant Accounting Policies - continued**

**Functional Allocation of Expenses**

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 2 - Cash**

At year end the Center's bank balance was \$11,138. The Bank balance was covered 100% by federal depository insurance.

**Note 3- Property & Equipment**

Property and equipment at June 30, 2007 consists of the following:

Leasehold improvements	\$ 4,360
Furniture and equipment	129,334
Vehicles	18,500
Accumulated depreciation	<u>(104,581)</u>
Total fixed assets, net	<u>\$ 47,613</u>

**Note 4 - Temporarily Restricted Net Assets**

Net assets were released from donor restrictions by incurring expenses to satisfy restrictions specified by donors as follows:

State Office of Education, Department of Rehabilitation Services	409,895
Various other grants	<u>33,190</u>
Total Restrictions Released	<u>\$ 443,085</u>

Temporarily restricted net assets are available for the following purposes:

Disability Law Center grant for client remodel	6,963
Donor restricted for van	<u>8,000</u>
	<u>\$ 14,963</u>

The Center has no temporarily restricted net assets with a time restriction, or permanently restricted net assets.

**Central Utah Center for Independent Living, Inc.**  
**Notes to Financial Statement - Continued**  
**June 30, 2007**

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**Note 5 - Retirement Plan**

The Center sponsors a SEP retirement plan that covers employees after 90 days of employment. The Center currently contributes 6% of each eligible employees wages to the plan. Contributions for the fiscal year ending June 30, 2007 were \$11,455.

**Note 6 - Commitment**

The Center has entered into a thee year lease on the facility it occupies. The lease period goes from March 1, 2006 through February 28, 2009. Lease expense for the fiscal year ending June 30, 2007 was \$26,931. Future required lease payments are as follows:

Year Ending June 30	
2008	26,931
2009	20,198
	<hr/>
	\$ 47,129

The Center anticipates a move to a new facility in the near future, possibly at the end of this lease agreement.

**Note 7 - Risk Management**

The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Center carries commercial insurance.

**Note 8 - Major Funding Source**

The Center received 86.9% of its funding for the year from a grant from the Utah State Office of Rehabilitation. Loss of this funding source would have a severe impact on the Center's operations and its ability to continue in existence without additional funding. Management anticipates a continuation of this funding.

**Note 9 - Grant Accounting**

Certain granting agencies require the Center to report using a regulatory basis of accounting. This represents a comprehensive basis of accounting which differs from generally accepted accounting principles. The regulatory basis of accounting differs from generally accepted accounting principles in the treatment of property and equipment and depreciation which are accounted for on a cash basis.

**Central Utah Center for Independent Living, Inc.**  
**Notes to Financial Statement - Continued**  
**June 30, 2007**

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**Note 9 - Grant Accounting - Continued**

The total functional expenses for the year ended June 30, 2007 reflected under generally accepted accounting principles reconciles to total expenditures reflected using the regulatory basis of accounting as follows:

Total functional expenses -	
(GAAP basis)	\$ 488,478
Depreciation	(15,373)
Purchase of equipment	35,840
Obligated funds charged to 2006 expenditures	(43,210)
Obligated funds charged to 2007 expenditures	<u>-</u>
Total functional expenses -	
Regulatory Basis	<u>\$ 465,735</u>

**SUPPLEMENTARY INFORMATION**

**(Regulatory Basis)**

# **Ulrich & Associates, PC**

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

To the Board of Trustees of  
Central Utah Center for Independent Living, Inc.

Our report on our audit of the basic financial statements of Central Utah Center for Independent Living, Inc. for 2007 appears on page 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information, prepared on a regulatory basis of accounting is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ulrich & Associates, P.C.*

August 17, 2007

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# Central Utah Center for Independent Living, Inc.

## Statement of Revenues and Expenditures by Program (Regulatory Basis of Accounting)

Year Ended June 30, 2007

	<u>Restricted</u> Utah State IL	<u>Unrestricted</u> Private Contributions	<u>Total</u>
<b><u>Revenues</u></b>			
Grants	\$ 449,085	-	449,085
In kind contributions	-	17,089	17,089
Fund raising	-	5,206	5,206
Other income	-	431	431
Total revenues	<u>449,085</u>	<u>22,726</u>	<u>471,811</u>
<b><u>Expenditures</u></b>			
Salary and wages	228,874	-	228,874
Payroll taxes and benefits	74,241	-	74,241
Office supplies	6,860	-	6,860
Contractual	11,390	-	11,390
Telephone	5,273	-	5,273
Space costs	29,362	-	29,362
Maintenance	3,093	-	3,093
Client emergency home repairs	12,000	-	12,000
Miscellaneous	1,573	-	1,573
Loan bank equipment and consumer r	11,745	-	11,745
Office equipment and maintenance	13,911	-	13,911
Fees and subscriptions	5,202	-	5,202
Insurance	8,406	-	8,406
Staff training	8,756	-	8,756
Travel (in state)	7,801	-	7,801
Travel (out of state)	5,131	-	5,131
Utilities	3,838	-	3,838
Postage	2,239	-	2,239
Printing	2,103	-	2,103
Program supplies	4,491	-	4,491
Fundraising supplies	-	2,357	2,357
In-kind expense	-	17,089	17,089
Total expenses	<u>446,289</u>	<u>19,446</u>	<u>465,735</u>
Excess of revenues over expenditures	<u>\$ 2,796</u>	<u>3,280</u>	<u>6,076</u>

# Central Utah Center for Independent Living, Inc.

## Statement of Revenues and Expenditures Compared to Budget (Regulatory Basis of Accounting)

Year Ended June 30, 2007

	Approved Budget	Actual	Favorable (Unfavorable) Variance
<b><u>Revenues</u></b>			
Grants	440,150	449,085	8,935
In-kind contributions	-	17,089	17,089
Fund raising	-	5,206	5,206
Other income	-	431	431
Total revenues	440,150	471,811	31,661
<b><u>Expenditures</u></b>			
Salary and wages	226,038	228,874	(2,836)
Payroll taxes and benefits	75,889	74,241	1,648
Office supplies	6,191	6,860	(669)
Contractual	12,789	11,390	1,399
Telephone	6,711	5,273	1,438
Space costs	31,779	29,362	2,417
Maintenance	3,113	3,093	20
Client emergency home repairs	10,000	12,000	(2,000)
Miscellaneous	1,000	1,573	(573)
Equipment and consumer repairs	8,019	11,745	(3,726)
Office equipment and maintenance	10,431	13,911	(3,480)
Fees and subscriptions	5,582	5,202	380
Insurance	8,478	8,406	72
Staff training	8,775	8,756	19
Travel (in state)	8,209	7,801	408
Travel (out of state)	4,550	5,131	(581)
Utilities	3,402	3,838	(436)
Postage	2,868	2,239	629
Printing	2,102	2,103	(1)
Program supplies	4,224	4,491	(267)
Fundraising supplies	-	2,357	(2,357)
In-kind expense	-	17,089	(17,089)
Total expenses	440,150	465,735	(25,585)
Excess of revenues over expenditures	\$ -	6,076	6,076



## **OTHER REPORTS**

# **Ulrich & Associates, PC**

## ***Certified Public Accountants***

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of  
Central Utah Center for Independent Living, Inc.

We have audited the financial statements of Central Utah Center for Independent Living, Inc. (a nonprofit organization) as of and for the year ended June 30, 2007, and have issued our report thereon dated August 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Central Utah Center for Independent Living, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central Utah Center for Independent Living, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Utah Center for Independent Living, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wink & Associates, P.C.*

August 17, 2007